

 <p align="center"><b>Financial Assistance Award</b></p> <p align="center"><b>DENALI COMMISSION</b>  <b>510 L Street, Suite 410</b>  <b>Anchorage, Alaska 99501</b>  <b>(907) 271-1414 (phone)</b>  <b>(907) 271-1415 (fax)</b>  <b>www.denali.gov</b></p>		<b>Award Number</b>	01059-00																																																																							
		<b>Award Title</b>	Napakiak RPSU																																																																							
		<b>Performance Period</b>	October 1, 2008 through March 31, 2011																																																																							
<b>Authority</b> 112 Stat 1854		<b>CFDA Number</b> 90.100		<b>Recipient Organization &amp; Address</b> Alaska Energy Authority 813 West Northern Lights Blvd. Anchorage, AK 99503  <b>Phone:</b> 907-771-3000 <b>Recipient DUNS #</b> 054072608 <b>TIN #</b> 926001185																																																																						
<b>Denali Commission Finance Officer Certification</b>		Jennifer Price 01/09/2009																																																																								
<b>Cost Share Distribution Table</b> <table border="1"> <thead> <tr> <th rowspan="2">Accounting Code</th> <th colspan="2">New Funding</th> <th colspan="2">Prior Period Funding</th> <th rowspan="2">Total</th> </tr> <tr> <th>Denali Commission</th> <th>Other Contributors</th> <th>Denali Commission</th> <th>Other Contributors</th> </tr> </thead> <tbody> <tr> <td>95670000AL</td> <td>\$850,000.00</td> <td></td> <td>\$0.00</td> <td></td> <td>\$850,000.00</td> </tr> <tr> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> </tr> <tr> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> </tr> <tr> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> </tr> <tr> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> </tr> <tr> <td></td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td></td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td></td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td></td> <td></td> <td>\$0.00</td> <td></td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td><b>Total</b></td> <td><b>\$850,000.00</b></td> <td><b>\$0.00</b></td> <td><b>\$0.00</b></td> <td><b>\$0.00</b></td> <td><b>\$850,000.00</b></td> </tr> </tbody> </table>					Accounting Code	New Funding		Prior Period Funding		Total	Denali Commission	Other Contributors	Denali Commission	Other Contributors	95670000AL	\$850,000.00		\$0.00		\$850,000.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00			\$0.00		\$0.00	\$0.00			\$0.00		\$0.00	\$0.00			\$0.00		\$0.00	\$0.00			\$0.00		\$0.00	\$0.00	<b>Total</b>	<b>\$850,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$850,000.00</b>
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The Napakiak RPSU project (Alaska Energy Authority (AEA) project number 350288) consists of three separate components: a new 3-phase electric tieline to provide power from Bethel to Napakiak; a new 3-phase distribution system within the community of Napakiak; and a new standby power generation module. This award of \$850,000 will provide for design and construction of the new distribution system and standby power generation module. The current estimated cost to complete the distribution system and power generation module is \$1,032,250. Of this total, \$187,000 of materials and equipment have been procured.																																																																										
<b>Signature of Authorized Official - Denali Commission</b>  Electronically Signed		<b>Typed Name and Title</b> George Cannelos Federal Co-Chair		<b>Date</b>  01/07/2009																																																																						

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## AWARD CONDITIONS

### 1. Scope of Work

The Napakiak RPSU project (Alaska Energy Authority (AEA) project number 350288) consists of three separate components: a new 3-phase electric tieline to provide power from Bethel to Napakiak; a new 3-phase distribution system within the community of Napakiak; and a new standby power generation module. This award of \$850,000 will provide for design and construction of the new distribution system and standby power generation module. The current estimated cost to complete the distribution system and power generation module is \$1,032,250. Of this total, \$187,000 of materials and equipment have been procured.

#### Background:

The existing single wire ground return tieline between Bethel and Napakiak was constructed in 1984 as a demonstration project. The projected design life of the demonstration project was 20-years. The new tieline will replace the existing non-code compliant single wire ground return demonstration project with a new 7.2/12.47 kV, 3-phase system constructed to current RUS standards. The new 3-phase tieline will reduce line losses and improve phase-balancing at the Bethel power plant.

The new 7.2/12.47 kV 3-phase community distribution system will replace the existing outdated 480-volt single phase distribution system in Napakiak and will also be constructed to current RUS standards. The new distribution system will reduce line losses, fully utilize the benefits of the new 3-phase tieline, as well as allow the Napakiak Ircinraq Power Company to provide reliable 3-phase power to the Napakiak School. Note that the school currently generates its own power because of the unreliable single phase power.

The new standby power generation module will interface with the new 3-phase tieline and distribution system, and will provide emergency 3-phase power to the community in the event that power is not available from Bethel.

The Napakiak RPSU project was awarded \$2,915,228 from RUS in 2007, and an additional \$84,000 was secured via a direct State of Alaska legislative appropriation to secure site control for the ROW across a restricted native allotment, for total funding of \$2,999,228. Environmental permitting for the project was performed under RUS requirements, and the project level NEPA review and all project permitting has been completed. Over 750,000 pounds of materials valued at \$434,000 have been procured and shipped to Bethel at a cost of \$129,030 - or \$17.20/cwt, and a construction contract has been awarded in the amount of \$1,675,849 for the tieline construction.

Although the tieline portion of the project is fully funded, due to unforeseen increases in tieline construction and permitting costs, there is insufficient funding available to complete design and construction of the new distribution system and standby power generation module.

All Commission funding is intended for use for the scope of work identified in the Award document only. Any balance of funds remaining after the full scope of work has been completed will be returned to the Denali Commission.

### 2. Milestones

The following milestones are identified as the major steps to be completed as part of the project. "Planned" dates for the first milestone are included here. As part of each progress report, recipients shall update the progress toward meeting these milestones (see section 7, Reporting).

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Milestone	Planned Start Date	Planned End Date	Actual Start Date	Actual End Date	Units	Total Cost at Completion
Design	10/01/2008	12/31/2008	mm/dd/yyyy	mm/dd/yyyy	nn	\$
Construction	11/01/2008	12/30/2010	mm/dd/yyyy	mm/dd/yyyy	nn	\$
Project Close-out	12/31/2010	03/31/2011	mm/dd/yyyy	mm/dd/yyyy	nn	\$

### 3. Award Performance Period

The Award performance period is October 1, 2008 through March 31, 2011 This is the period during which Award recipients can incur obligations or costs against this Award.

### 4. Direct and Indirect Costs

The cost principles of OMB 87 are applicable to this Award. No indirect costs are allowable under this award. Please refer to the cost principles regulations for specific details on other allowable charges under this Award.

### 5. Budget and Program Revisions

The Administrative Circular, OMB A-102, applies to this Award. Please refer to the Administrative Circular for specific details on revisions to this Award. The Administrative Circular requires that AEA will inform the Commission in writing (e-mail, letter, or report) at the earliest possible date of any unanticipated project cost overrun, project schedule delays, or changes in the project scope or changed site conditions.

### 6. Payments

Payments under this Award will be made by electronic transfer in response to a "Request for Advance or Reimbursement", Standard Form 270 (SF-270) submitted by AEA. Requests for reimbursements may be made as needed. The SF-270 must be submitted to the Denali Commission via fax, e-mail (finance@denali.gov) or mail in order for payment to be processed. The form is available on the OMB website: [http://www.whitehouse.gov/OMB/grants/grants\\_forms.html](http://www.whitehouse.gov/OMB/grants/grants_forms.html). Payments shall be made in accordance with OMB Circular A-102. Please contact the Denali Commission's Finance Specialist at (907) 271-1414 for further information about submitting this form. No interest will be accrued on these funds.

### 7. Reporting

Two forms of project reporting are required under this Award, listed below. AEA shall submit reports using the Denali Commission's on-line Project Database System, available at [www.denali.gov](http://www.denali.gov). If there are technical limitations which may prevent the recipient from meeting this requirement, please contact the Program Manager listed in this agreement.

a. Progress Reports shall be submitted on a quarterly basis. The first reporting period is October 1, 2008 to March 31, 2009 and quarterly thereafter. Reports are due within 30 days of the end of the reporting period. Progress reports shall include the following:

i. Total project funding, including both Denali Commission funding and other project funding sources.

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ii. The total project expenditures for the project as of the end of the reporting period, including both Denali Commission and Other funding sources.

iii. Updated schedule and milestone information as identified in the Scope of Work

iv. Narrative summary of the project status and accomplishments to date, and address the following questions: is the project on schedule, is the project on budget, and what actions are planned to address any project problems.

v. Photographic documentation of project progress shall be provided with the progress reports for active construction projects. The photo documentation shall include a minimum of three, dated photos per reporting period such that a complete record of the construction is maintained over time, from "before," showing the situation before the start of construction, to "during" showing work proceeding on the project, and "after" to show the finished project. Photos shall be provided in a digital format as part of the on-line report. A short description of the activity and names of those in the photos shall also be provided.

b. Federal Single Audits shall be submitted annually, when required. In accordance with OMB Circular A-133, which requires [subpart 200] "Non-Federal entities that expend \$500,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of this part [subpart 205]. The determination of when an award is expended should be based on when the activity related to the award occurs."

Recipients shall also submit single audits to the Federal Clearinghouse as designated by OMB. Information can be found on the following web-site: <http://harvester.census.gov/sac/>

## 8. Project/Award Close-Out

The project close-out report shall be completed within 90 days of the end of the Award performance period or within 90 days of the completion of the project, whichever is earlier. Recipients must also draw down any remaining funds for expenditures incurred under this award during this 90-day period.

The project close-out report shall be submitted on-line through the Denali Commission's on-line Project Database System, available at <http://www.denali.gov/>. The project close out will require the recipient to submit the following information:

- a. Final data for each item listed in paragraph 7(a) "Progress Reports"
- b. Final project expenditures itemized by the following categories: planning & design; materials & equipment; freight; labor; project administration/overhead and other expenses.
- c. Acknowledgement of support: For all construction projects, the Award recipient shall display a sign that acknowledges the Government's support for the project(s) developed under this Award. The Commission will provide an appropriate sign. The Award recipient must request an indoor and/or an outdoor sign from the Commission office. Pickup or delivery of the sign can be arranged at that time.

## 9. Public Policy Laws and Assurances

Award Recipients are required to comply with the public policy laws and assurances on SF 424d. Some of the laws are highlighted below for your reference.

No portion of this award may be used for lobbying or propaganda purposes as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74.

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Project level environmental reviews in accordance with the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA) are required for each project undertaken with Denali Commission funds.

#### 10. Non-Compliance with Award Conditions

Recipients not in compliance with the terms and conditions of this Financial Assistance Award will be notified by the Denali Commission. The Denali Commission will work with the recipient to identify the steps necessary to bring them back into compliance, and will establish an appropriate time frame for the corrections to be made. If the corrections have not been made by the deadline, the Denali Commission reserves the right to either suspend or unilaterally terminate the Financial Assistance Award for non-performance.

#### 11. Program Manager, Financial Manager & Other Contact Information

Denali Commission	Alaska Energy Authority
Jodi Fondy Program Manager 510 L Street, Suite 410 Anchorage, AK 99501 Phone: (907) 271-3011 Fax: (907) 271-1415 E-mail: <a href="mailto:jfondy@denali.gov">jfondy@denali.gov</a>	Chris Mello Program Manager 813 W. Northern Lights Blvd. Anchorage, AK 99503 Phone: (907) 771-3072 Fax : (907) 771-3044 E-mail: <a href="mailto:cmello@aidea.org">cmello@aidea.org</a>
Mariah McNair Grants Specialist 510 L Street, Suite 410 Anchorage, AK 99501 Phone: (907) 271-2367 Fax: (907) 271-1415 E-mail: <a href="mailto:mmcnair@denali.gov">mmcnair@denali.gov</a>	Amy McCollum Financial Contact 813 W. Northern Lights Blvd. Anchorage, AK 99503 Phone: (907) 771-3013 Fax: (907) 771-3044 E-mail: <a href="mailto:amccollum@aidea.org">amccollum@aidea.org</a>

#### 12. Other Project Specific Requirements

The 2008-2009 Denali Commission-AEA Memorandum of Agreement requires that AEA participate in Commission committees and workgroups as available, as well as to participate in biannual meetings to share lessons learned and best practices. Another biannual meeting focus is reporting on the measureable improvements brought about as a result of the Commission's Energy Program and development of program evaluation metrics.

To the maximum extent practicable, considering applicable laws, Funding Recipients shall accomplish the project contemplated by the Award using local Alaska firms and labor.